

United Food & Commercial Workers Union Local No. 876

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Statement of Chris Michalakakis Legislative Director of the United Food and Commercial Workers Local 876

Before the House Commerce Committee on HB 4636

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The United Food and Commercial Workers (UFCW) Local 876 represents over 22,000 members across the state of Michigan in service industries such as grocery, and other sectors including food processing and manufacturing.

UFCW Local 876 opposes House Bill 4636 (HB 4636) and opposes any changes to the current item pricing law as item pricing protects consumers in several different and important ways. First, it allows consumers to efficiently comparison shop. This is difficult and at times impossible with only shelf tags. Furthermore, a price tag gives consumers confidence as they are guaranteed prices and know exactly how much their basket of goods will cost at the point of sale. Also, item pricing creates a paper audit trail, which further protects consumers. Even after a consumer leaves a store, it is easy to verify that the price on the good matches what the consumer paid on the receipt. Finally, item pricing empowers consumers to enforce the law to make sure that prices are correct- not rely on costly government oversight, or inefficient privatized auditing procedures.

When consumers do find that they have been overcharged, they can prove so by showing the difference between the price tag with the price they paid on the receipt. Consumers are then compensated the difference between the amount charged and the affixed price plus additional compensation of ten times the difference, with a minimum of \$1.00 and a maximum of \$5.00 for each overcharge.

This law passed in 1976 to ensure accuracy in "automatic checkout systems" to protect consumers from being overcharged by computers. Protecting consumers is just as important today as it was 29 years ago when this bill was introduced. Not only are automatic checkout systems far more common today, but today- at the push of a button prices in a store could instantly change. Stores and even their entire chains can also be programmed to do so automatically several times a day. Imagine one set of prices on weekday mornings designed to take advantage of seniors, and another set of prices in the evenings intended to overcharge working mothers.

Constant price fluctuation is already so common in other parts of the country these days that it has even found its place in retail ads. Take for example, Wal-Mart's ad campaign where the smiling bouncing ball goes around the store changing prices on various items by a few cents here and there. Despite what the campaign may promise these prices can't always be going down.

Instead of price tags, HB 4636 offers consumers shelf tags and remote UPC scanners. Shelf tags pose as a problem for seniors and the disabled as they may have difficulty reading price tags that are too high or too low on store shelves. It is groups such as these who need item pricing the most as many seniors and disabled live on fixed incomes and need to know how much their basket of goods will cost before they arrive at the checkout counter.

In addition to shelf tags, HB 4636 requires remote UPC scanners throughout the store, some with the ability to print stickers with the price on it. These UPC scanners are mandated to, "Be compatible with and synchronized with the UPC code scanning capability of the retailer's automatic checkout system used at the point of sale." If the method proposed to replace item pricing as a means to protect consumers from errors in automatic checkout systems at the point of sale is itself tied into the SAME automatic checkout system, then consumers have no way to verify and prove to the retailer the price listed on the shelf tag.

Remote UPC scanners do nothing to correct inaccurate prices and scanner errors while consumers are deprived of their right to meaningfully audit their purchases after they leave the store. It's ironic that HB 4636 proposes to double the bounty on overcharges. Since both the point of sale scanners and remote UPC scanners will display the same inaccurate price, it will be impossible for overcharged consumers to ever collect anything. Since HB 4636 does nothing to guarantee the price on shelf tags, retailers have the ability to knowingly and purposely overcharge consumers.

It is also important to talk about the economic impact HB 4636 will have if passed, as it will lead to a loss of jobs in the state of Michigan. Many stores have their employees stock and price their own items, as in the case of some stores they are required to by contract. With no items to price, many retail employees will see their hours cut or their jobs eliminated. This will not only contribute to Michigan's unemployment rate but reduce revenue coming in to the state.

The United Food and Commercial Workers Local 876 opposes HB 4636 on the grounds that weakening the current item pricing law is harmful for all consumers especially seniors, the disabled, and working families.